



## Sofaer Global MBA

### 1238.2321.01 - Financial Accounting

Prerequisites: None

Modules 1 & 2 – 2017/18

#### Course Section Details

Day	Hour	Classroom	Lecturer	Email	Telephone	Office	Office Hours
Tuesday & Thursday	9:15-12:00	Recanati 254	Dr. Itay Kama	kamaitay@tau.ac.il	03-6409958	307a	Thursday 12:00

#### Tutorial

Teaching Assistant: Muhammad Zidani, [Muhammadzidani@gmail.com](mailto:Muhammadzidani@gmail.com). Office hours: Monday at 15:45.

Day	Hour	Classroom
Monday	14:30-15:45	Recanati 254
Wednesday	11:15-12:30	Recanati 254

#### Course Units

Course Units: 2

4 ECTS (European Credit Transfer and Accumulation System) = 1 course unit

By making higher education comparable across Europe, ECTS makes teaching and learning in higher education more transparent and facilitates the recognition of all studies.

#### Course Description

The purpose of the financial accounting course is to furnish students with a basic understanding of the financial reporting process (and in particular how financial statements are put together). Although the course principally concentrates on the production of financial statements, the aim is not to turn participants into practicing accountants; the philosophy is rather to provide an appreciation of the production process that is sufficiently detailed to give students the ability to successfully analyze a relatively complex set of financial statements. This ability is essential for courses that deal with the analysis and interpretation of company financial statements in various contexts; additionally, in a number of other core courses and several electives, the ability to extract relevant information from accounting data for the purpose of decision-making is an important skill.

## Course Objectives

Upon completion of the course, the student will be able to:

- Interpret and apply the rules and conventions underlying the preparation of major accounting reports.
- Evaluate, analyze and interpret relevant accounting information.
- Use information in financial disclosures to gauge firms' performance.
- Analyze financial and managerial decision-making, and the accounting information that supports these decisions.
- Understand the environment in which financial reports are prepared, and the incentives of managers that may affect the information reported by companies.

## Assessment and Grade Distribution

Percentage	Assignment	Date	Comments
15%	Class Participation & professionalism	Throughout the semester	Individual
5%	Case responses	Throughout the semester	Individual
80%	Final exam	December 7, 2017; 9am	Individual

\*According to University regulations, a student must be present in every lesson (Article 5).

\* The lecturer reserves the right to have a student removed from a course if the student is absent from a class with mandatory participation or did not actively participate in class. (The student will remain financially responsible for the course irrespective of his/her removal from the course)

## Course Assignments

### Class participation and professionalism

In this course I expect students to act in a professional manner. Therefore, any repeated conduct that distracts me and/or your classmates (e.g., excessive talking with neighbours, cell phones ringing, missing classes) will automatically reduce your class participation and professionalism grade to a zero for the course. After the first offense, I will issue a warning. Any subsequent violation of professional conduct in class will automatically result in a zero for the class participation and professionalism component of your overall grade.

In order to participate you will have to be prepared. It is virtually impossible to do well in this class without devoting a considerable amount of time to solving cases and reviewing the material. I will be calling on students in class to answer questions based on these assignments. While attendance is necessary in order to receive credit for class participation, it is not sufficient. The discussion portion of the grade requires that you ask meaningful questions and provide substantive solutions and comments. Additionally, you should arrive at class on time and remain throughout the entire class period.

### Case Responses

To help structure student preparation of cases, I will provide a set of study questions on Course site and require students to submit a brief answer to one of those questions prior to the beginning of the class session via an on-line survey. The purpose of these questions is to focus your analysis of the case and to facilitate class discussion of the

case. For the submitted answer, there is no one “right” answer (although there might be answers that are “wrong”). I will only assess whether the answer (a) addresses the question and (b) uses information from the case. I also often use the survey responses to help me understand how people are viewing the issues prior to our class session. That will help us more effectively use our classroom discussion.

It is important to note that we may not cover all questions explicitly in each case discussion. However, they have been designed to help students think through the issues and thus students should use them in structuring their approach to cases and in considering their discussion in class.

### **Final Exam**

You will have a comprehensive exam at the end of the course (in-class exam).

Should a student become unable to complete an assignment or course requirement, s/he must notify the TA of the course in advance via email

### **Reading**

For each lecture you will be given a copy of my slides which, when annotated with your own notes, should be sufficient for both revision purposes for the exam and as a record of the course for future reference.

The following textbook is recommended, but not required, for this course: Harrison, Horngren, Thomas and Suwardy (HHTS), “Financial Accounting,” Pearson Education, 9th edition, 2014. This book provides a systematic, yet simple, description of various accounting topics and many real-life illustrations. The detailed outline below contains references to the relevant chapters from the textbook (these would ideally be read before the appropriate session, and revisited after the relevant session).

### **Grading Policy**

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses. This policy applies to all graduate courses in the Faculty, and will be reflected in the final course grade. Accordingly, the final average of the class for this course (which is a core course) will fall between 78-82%. Additional information regarding this policy can be found on the Faculty website.

### **Evaluation of the Course by Student**

Following completion of the course, students will participate in a teaching survey in order to evaluate the instructor and the course for the benefit of the students and the university.

### **Course Site**

All class files including selected power-point slides presented in class by the instructor will be available on the course website at Moodle.

### ***Detailed Course Outline***

<b>Class</b>	<b>Date</b>	<b>Topic/Case</b>	<b>HHTS</b>
1	Thursday, 26 Oct	Course overview and administration Introduction to financial accounting: Purpose and financial statements	Chapter 1
2	Tuesday, 31 Oct	Transaction analysis	Chapter 2
3	Thursday, 2 Nov	Accrual vs. Cash accounting	Chapter 3
4	<b>Sunday, 5 Nov (8:45-11:30)</b>	Revenue recognition and accounts receivable	Chapter 5
5	Tuesday, 7 Nov	<b>Case: Bausch &amp; Lomb, Inc.</b> (Revenue recognition and accounts receivable) Expense recognition and Inventory	Chapter 6
6	Thursday, 9 Nov	Expense recognition and Inventory Long-lived assets	Chapter 7
7	Tuesday, 14 Nov	<b>Case: MacCloud Winery</b> (Long-lived assets) Intangible assets Inter-corporate investments	Chapter 8
8	Thursday, 16 Nov	Liabilities	Chapter 9
9	Tuesday, 21 Nov	<b>Case: Accounting for the Intel Pentium Chip Flaw</b> (Liabilities) Accounting for ownership	Chapter 10
10	Thursday, 23 Nov	Cash flow statement	Chapter 11
11	Tuesday, 28 Nov	<b>Case: Statements of Cash Flows: Three Examples</b> (for the “Three Examples” case, read text only. You do not need to review the Cash Flow Statements. You will use the thought process in the text to analyse the Charlie-Cash Flow Case) <b>Case: Charlie-Cash Flow</b> (This is the case you should actually analyse for class. That is, come to class ready to discuss and analyse the four companies in this case)	
12	Thursday, 30 Nov	Ratios/Wrap-up	